

Date: May 19, 1999

To: John Hesemann

cc: Doris Engibous
Matt Glei
Dennis Kovach
Steve Daleo

From: Mike Fein, Manager of Sensor Research
Nellcor Oximetry Business
Pleasanton

re: Approval of digital signature contract.

Mr. Hesemann:

You previously approved our order to Uptronics Inc., for the development phase of a design project for a digital signature verification system, which is part of the security strategy for Oximax. One practical effect of the encrypted digital signature that will appear on the Digical memory chip will be to make counterfeiting very difficult. A second effect is that there will be an extraordinarily high level of protection against inadvertent change of information in the chip, which is a contribution to medical safety.

If I can answer any questions for you, please call me at 925-463-4576.

Many thanks,